



# GEORGIA DEPARTMENT OF REVENUE

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## FOR IMMEDIATE RELEASE

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### **Sales and Use Tax Violators Face Felony Charges Beginning July 1**

ATLANTA--The penalties for failing to collect sales and use tax, filing false or fraudulent sales and use tax returns, or failure to keep or furnish sales and use tax records will increase significantly on July 1.

Violators will face fines of up to \$5,000 and imprisonment for not more than one year for the first offense and fines of not more than \$10,000 and imprisonment for not more than five years for the second violation.

First offenses are misdemeanors of a high aggravated nature and subsequent offenses are felonies.

"These stiffer penalties reinforce that sales and use tax is a 'trust tax' to which retailers have no legal entitlement. Their customers pay the tax during a retail transaction with the belief the money will be used by the state and county for the common good," said Revenue Commissioner Bart L. Graham.

Previously, violations were misdemeanors with maximum fines of \$300 and imprisonment for not more than three months.

"I appreciate the General Assembly's assistance in helping DOR combat this significant area of tax fraud," Commissioner Graham added.

The increased penalties are contained in H.B. 1506, which was passed to Governor Perdue on April 10. He signed it into law on April 19. The bill's sponsors were Representatives Penny Houston (R, 170), Mark Burkhalter (R, 50), Earl Ehrhart (R, 36), A. Richard Royal (D, 171), Ben Harbin (R, 118), and others.

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